

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this day of day of	, 2008, by and between
Gladus L. Brown asingle Person	
	TEXCIS 76103 as Lessor.
whose addresss is 4224 NOrmandy hoad Fort Worth and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as L	
hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were pre	epared jointly by Lessor and Lessee.
 In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor h described land, hereinafter called leased premises; 	nereby grants, leases and lets exclusively to Lessee the following
described fallo, rici emarter daned reased promises.	
100	FLOOR 1111
0138 ACRES OF LAND, MORE OR LESS, BEING LOT(S) 1	, BLOCK <u> </u>
FOR LANGER TAPPANT COUNTY TEXAS AC	CORDING TO THAT CERTAIN PLAT RECORDED
TARRANT COUNTY, TEXAS, AC IN VOLUME 388 , PAGE H OF THE PLAT F	RECORDS OF TARRANT COUNTY, TEXAS.
THE POLICE OF THE PORT	ALGORDO OF THE WORLD GOOD TO THE PARTY.
in the County of Tarrant, State of TEXAS, containing _ • 1 5 5 grass acres, more or less (inc	cluding any interests therein which Lessor may hereafter acquire by
reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and market substances produced in association therewith (including geophysical/seismic operations). The term	ung on and gas, along with an hydrocarbott and non hydrocarbott "das" as used herein includes helium, carbon dioxide and other
commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, to	this lease also covers accretions and any small strips or parcels of
land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased pages to execute at Lessee's request any additional or supplemental instruments for a more complete.	premises, and, in consideration of the aforementioned cash bonus,
of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified sh	hall be deemed correct, whether actually more or less.
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of _	FUUT (1) years from the date hereof, and for
as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from otherwise maintained in effect pursuant to the provisions hereof.	the leased premises of from lands pooled therewith or this lease is
Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Less	see to Lessor as follows: (a) For oil and other liquid hydrocarbons
separated at Lessee's separator facilities, the royalty shall be TWEDTY-FIVE PERCENT(2 Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Les	%) of such production, to be delivered at Lessee's option to seen shall have the continuing right to purchase such production at
the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in	n the same field, then in the nearest field in which there is such a
prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas)) and all other substances covered hereby, the royalty shall be
TOEDHY-FIVE PETCENT (25 %) of the proceeds realized by Lessee from the sproduction, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing of	sale thereof, less a proportionate part of ad valorem taxes and or otherwise marketing such ass or other substances, provided that
Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price	e paid for production of similar quality in the same field (or if there is
no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing	g price) pursuant to comparable purchase contracts entered into on
the same or nearest preceding date as the date on which Lessee commences its purchases hereunder, ar more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or	
are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there fro	
be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period	
there from is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre ther Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereal	
while the well or wells are shut-in or production there from is not being sold by Lessee, provided that if this	s lease is otherwise being maintained by operations, or if production
is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no	
following cessation of such operations or production. Lessee's failure to properly pay shut-in royally shall terminate this lease.	is relider Lessee stable for the amount due, but shall not operate to
 All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's or 	
be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. A draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamper	
address known to Lessee shall constitute proper payment. If the depository should ilquidate or be succee	eded by another institution, or for any reason fail or refuse to accept
payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument na	
5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of product premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanent	
pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the ev	vent this lease is not otherwise being maintained in force it shall
nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling on the leased premises or lands pooled therewith within 90 days after completion of operations on such dr	
the end of the primary term, or at any time thereafter, this tease is not otherwise being maintained in fo	price but Lessee is then engaged in drilling, reworking or any other
operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force	so long as any one or more of such operations are prosecuted with
no cessation of more than 90 consecutive days, and if any such operations result in the production of oil there is production in paying quantities from the leased premises or lands pooled therewith. After complete	
Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably pre-	prudent operator would drill under the same or similar circumstances
to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises from uncompensated drainage by any well or wells located on other lands not pooled the	ne leased premises or lands pooled therewith, or (b) to protect the
additional wells except as expressly provided herein.	Hewitt. There shall be no coveriant to only exploratory wells of any
6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises of	or interest therein with any other lands or interests, as to any or all
depths or zones, and as to any or all substances covered by this lease, either before or after the comm proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling	rencement of production, whenever Lessee deems it necessary or or authority exists with respect to such other lands or interests. The
unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres ;	plus a maximum acreage tolerance of 10%, and for a gas well or a
horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that	t a larger unit may be formed for an oil well or gas well or horizontal
completion to conform to any well spacing or density pattern that may be prescribed or permitted by any go of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law	overnmental authority naving jurisdiction to do so. For the purpose or the appropriate governmental authority, or, if no definition is so.
prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and	gas well means a well with an initial gas-oil ratio of 100,000 cubic
feet or more per barrel, based on 24-hour production test conducted under normal producing condition equipment; and the term "horizontal completion" means an oil well in which the horizontal component	ons using standard lease separator facilities or equivalent testing
equipment; and the term "horizontal completion" means an oil well in which the horizontal component of	the gross completion interval in facilities of equivalent testing
component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declar	tration describing the unit and stating the effective date of pooling.
Production, drilling or reworking operations anywhere on a unit which includes all or any part of the lear reworking operations on the leased premises, except that the production on which Lessor's royalty is calcu-	ased premises shall be treated as if it were production, drilling or
net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, it	but only to the extent such proportion of unit production is sold by
Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lesse	ee shall have the recurring right but not the obligation to revise any
unit formed hereunder by expansion or contraction or both, either before or after commencement of prox prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive	duction, in order to conform to the well spacing or density pattern
making such a revision, Lessee shall file of record a written declaration describing the revised unit and sta	ating the effective date of revision. To the extent any portion of the
leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit pr	roduction on which royalties are payable hereunder shall thereafter
be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not con	cessation thereot, Lessee may terminate the unit by filing of record institute a cross-conveyance of interests

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest hall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written releas

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

In accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lesser in writing, Lessee shall bury its pipelines below ordinary plow depth on cutivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements

writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, riot, strike or labor disputes, or by inability to obtain a seatisfactory market for production or failure of purchasers or carriers to take or transport such production, riot, strike or labor disputes, or by inability to obtain a seatisfactory market for production or failure of purchasers or carriers to take or transport such production, riot, strike or labor disputes, or by inability to obtain a seatisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably wit

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and time after said judicial determination that a breach or default and Lessee fails to do so

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

natory's

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first heirs, devisees, executors, administrators, successors and assigns, whether or not the successor is a successor of the date first heirs, devisees, executors, administrators, successors and assigns, whether or not the successor of the date first heirs, devisees, executors, administrators, successors and assigns, whether or not the date first heirs.	written above, but upon execution shall be binding on the signatory and the signis lease has been executed by all parties hereinabove named as Lessor.	
LESSOR (WHETHER ONE OR MORE)		
Gladys L. Brown By: Gladys L. Brown	By:	
ACKNOWLEDGMENT		
COUNTY OF TOLLY ON TOLLY OF	2001	
This instrument was acknowledged before me on the day by: (24C) U.S. h. 15(7) D.O. C. S.II. (1) F. PEVS	y of 1 Y X X Y 2008,	
S. Charges K. PICION, CLOTING E PERS		
	Kusha H Paglas- Yolk	
KISHA G. PACKER POLK	Notary Public, State of TEXAS	
Notary Public, State of Texas My Commission Expires April 15, 2012	Notary's name (printed): Notary's commission expires:	
STATE OF		
COUNTY OF	r of . 2008.	
This instrument was acknowledged before me on theday by:	/ of, 2008,	



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

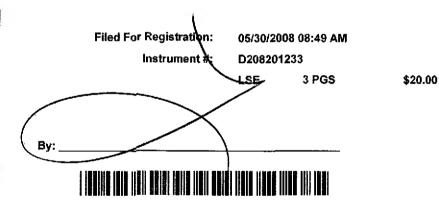
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D208201233

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Printed by: MC